

ORIGIN/ ACTION

DEPARTMENT OF STATE

STAT

Approved For Release 2002/08/21 : CIA-RDP82S00697R000300080003-6

**AIRGRAM**

DECLASSIFIED

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Original to be Filed in

Decentralized Files.

FILE DESIGNATION

UNCLASSIFIED

A-214

HANDLING INDICATOR

TO : Department of State

E. O. 11652: N/A

TAGS: ENRG, PE

INFO :

DEPT PASS:

FROM : AmEmbassy LIMA

DATE September 18, 1974

SUBJECT : OIL COMPANIES' ACTIVITIES IN THE CONTINENTAL SHELF

REF : Lima A-76, Page 5

After a year of suspended operations, Tenneco has decided to renew its exploration program in the continental shelf. Tenneco will begin this program with its sixth well, ALBACORA Z1-8-7-CDA, to be located about 165 Kms. north of Talara. It will be drilled from a metallic platform in waters 105 feet deep with the assistance of the tender "Merlin II". The well is scheduled to reach a depth of 12,350 feet in order to continue exploration of the quality of the producing sands found in well 8-X-2, drilled in August 1972, Tenneco's only producer (5,246 bpd. of crude and 18 million cubic feet of gas). ALBACORA's objective is to verify the potential of the Zorritos formation from the Inferior Miocene. From the same platform, Tenneco plans to drill a new well and depending on these results, the company will complete 8 more wells to develop the reservoir.

Belco, the first and only producing company in the continental shelf, has completed three exploratory wells - one producer and two being tested for production - and is presently drilling the fourth exploratory well in Los Organos offshore area, all under the new contract. Belco's production, on the other hand, during the first seven months of 1974 increased by 22.04%, to 8,459,057 bbls. over the 6,931,323 bbls. produced for a similar period in 1973.

State Dept. review completed

DEAN 7RC

FORM DS-323

UNCLASSIFIED

Drafted by: BA ECO: BHuaco/bh

Drafting Date: 9/17/74

Phone No.: 212

Contents and Classification Approved by: ECO: ERCheney ER

Clearances:

ECO: GAMunro

Approved For Release 2002/08/21 : CIA-RDP82S00697R000300080003-6